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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

COMMITTEE ON BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT

TO: Senator Bill Diamond, Senate Chair  
Representative Emily Ann Cain, House Chair  
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Elizabeth M. Schneider, Senate Chair *EA*  
Nancy E. Smith, House Chair *NS*  
The Joint Standing Committee on Business, Research & Economic Development

DATE: February 26, 2010

SUBJ: The Public Service Manager II position within the Office of Innovation

The chairs of the Joint Standing Committee on Business, Research & Economic Development strongly oppose any changes within the Governor's supplemental budget (LD 1671) that would permanently cut the Public Service Manager II position within the Office of Innovation. The Joint Standing Committee on Business, Research & Economic Development voted unanimously 12-0 several weeks ago to support the Part A savings identified in the supplemental budget, with the understanding that this reduction in funding for salary savings within the Office of Innovation would be a temporary, one-time reduction and that this important position would be filled as soon as possible. The decision to permanently cut this position within the Office of Innovation completely bypassed the Committee's involvement and is not representative of any strategic plan for the Office or for the State.

Investments in innovation will be critical to advance Maine's economy, spur job creation and economic growth. Recently, the Maine Economic Growth Council released its 2010 Measures of Growth annual report and regrettably, business innovation went from receiving a gold star in 2009 to receiving a red flag in 2010. According to the report: "A growing R&D sector in Maine creates wide-ranging economic benefits, chief among them better jobs and increased government revenues. R&D performance is a key measure for gauging Maine's competitiveness in the new knowledge economy. Total R&D investment was 1.0% of GDP in Maine in 2006. This represents \$450 million of investment and a decrease of approximately \$70 million from the previous year. Maine's rank among all states was 38th in this measure."

The Office of Innovation is responsible for providing strategic direction, promotion, measurement and evaluation of innovation-related public investments in Maine. The Office of Innovation:

- Develops and leads the implementation of the **science and technology plan** and annual progress reports (5 MSRA §13106) in coordination with the **Maine Innovation Economy Advisory Board**;
- Oversees the **Maine Technology Institute (MTI)** (5 MSRA §15302) and the related Research and Development Bond Funds which MTI administers;
- Manages the **Technology Centers** (5 MSRA §15321), the state's technology incubator system;
- Evaluates Maine's public investments in research and development through the annual **Innovation Index** (5 MSRA §15106) and Comprehensive Research and Development Evaluation (5 MSRA §15107); and
- Manages the **Maine Experimental Program to Stimulate Competitive Research (EPSCoR)** (5 MSRA §13110) with the University of Maine and the Maine Innovation Economy Advisory Board (MIEAB) that also serves as the EPSCoR Coordinating Committee to strengthen Maine's research infrastructure through access to federal funds.

The Office of Innovation performs valuable work to help Maine's economy move forward and to expand Maine's innovation-driven economy. The chairs strongly oppose any ongoing reduction in funding to this position within the Office.

Thank you for your time and consideration.

cc: Members, Joint Standing Committee on Business, Research & Economic Development